

ASX RELEASE

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**MARICUNGA LITHIUM BRINE JV
AWARDS CONTRACT TO TIER 1 ENGINEERING COMPANY**

Highlights

- LPI is pleased to announce, after an extensive evaluation, that WorleyParsons has been selected as the engineering consultant for the Maricunga JV project feasibility studies to support the JV as it continues to advance the Maricunga lithium brine project to production.
 - The project infrastructure studies are advancing well and the Company will provide updates as activities advance.
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Lithium Power International Limited (ASX: LPI) ("LPI" or "the Company") is pleased to provide an update on activities at the Maricunga lithium brine project in northern Chile.

Austrade's Senior Trade Commissioner in Santiago, Shannon Powell, commented

"We are delighted with the news that the design and feasibility contract for LPI's Maricunga Salar has been awarded to Australian firm WorleyParsons. Our Austrade office in Chile is working to ensure that Australian firms are the preferred service providers to Australian companies developing projects in the region. This outcome is a great testament to that work, ensuring that Australian capability is always well profiled".

Engineering consultant selection

After an extensive evaluation of engineering companies with appropriate experience the Maricunga JV has selected WorleyParsons (WOR:ASX) as the tier 1 engineering consultancy firm for the project design and feasibility studies.

WorleyParsons is a global engineering company with headquarters in Australia and is listed on the ASX. The company has extensive expertise in engineering, procurement and construction, working across the infrastructure, mining, chemicals and hydrocarbon sectors. WorleyParsons undertook extensive engineering and feasibility at the Salar de Atacama in Chile and undertaken the engineering design for the definitive feasibility study on the Cauchari lithium brine project in Argentina. The company brings a wealth of infrastructure design, geotechnical, chemical, mechanical and electrical skills to the project.

WorleyParsons' services will be provided from its office in Santiago, in the capital of Chile, which is close to the joint venture project office.

Engineering milestones

The engagement for project engineering studies will commence with a scoping study (Preliminary Economic Assessment) for the project, to be completed in late 2017 (for a +/-30% estimate of costs). This will be followed directly by the project definitive feasibility study to be completed during 2018 (to meet AACE 18R-97, Class 2 estimation standards with a +/-15% accuracy). WorleyParsons will undertake design of both the lithium carbonate and the potassium chloride production plants through the scoping study to the feasibility study.

Lithium Power International's Chief Executive Officer, Martin Holland, commented:

"Selection of WorleyParsons as the joint venture engineering consultant is another important step in taking the Maricunga project to production. We look forward to working with WorleyParsons through the feasibility studies, utilizing their extensive practical experience with lithium brine projects. In parallel with project engineering, the Company continues to advance with the pending Maiden JORC resource upgrade, infrastructure studies and environmental data collection."

Maricunga JV Background

The Maricunga JV is 50%-owned by LPI. The project is regarded by LPI management as one of the highest quality undeveloped pre-production lithium brine project globally, with a very high lithium grade and strong flow rates. The Company continues to advance towards a new JORC compliant resource estimate in 1H17, based on results of the drilling and pump testing program, with the project progressing to a scoping study later in 2017 moving directly to definitive feasibility in 2018.

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